



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0147	Title:	Adopt nurse licensure compact
Primary Sponsor:	Wittich, Art	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$22,217	\$6,000	\$6,000	\$6,000
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 147 allows Montana to enter into a multi-state Nurse Licensure Compact (NLC) that grants registered and licensed practical nurses multi state privileges with other NLC party states. Nurses, while being allowed to practice in other party states, will only be required to be licensed in their home state (their state of primary residence). The fiscal impact of this bill comes from the costs associated with rule making and notification of changes to licensees, as well as verification of residency for some licensees, and an annual fee paid to the compact for participation.

FISCAL ANALYSIS

Assumptions:

1. The Executive Officer for the Montana Board of Nursing will administer the compact in Montana. There will be no requirement for additional staff.
2. HB 147 will require changes to the board's database to issue licenses that grant multistate privileges as well as licenses that are only effective in Montana. Costs for changes to the database will be covered by the National Council of State Boards of Nursing (NCSBN). NCSBN will also offer expertise in any programming changes necessary to implement the database changes.

3. The board will promulgate rules to implement the compact in Montana. It is estimated that there will be a 14 page rule notice and three page adoption notice. The board will need to contact 127 interested parties and approximately 25% (5,500), of its 22,000 licensees by mail due to lack of reliable email addresses to notify them of the change, the remainder will be notified by email. Total estimated cost for the notice and adoption to be published, and licensees and interested parties to be contacted, is \$6,477.
4. The NLC requires verification of permanent residence to be eligible for issuance of a multistate license. The board will need to contact approximately 25% (5,500), of its 22,000 licensees with the remainder being notified by email. Total estimated cost for the verification of residency is \$5,500 and will be a one-time cost. Verification of residency for new applicants will be done during the application process.
5. The board will hold a two hour hearings to receive public comments. The hearing will be presided over by a Hearing's Officer and a transcription of comments will be made for board review. The estimated total cost for the hearings is \$440 in FY 2016.
6. There will be additional legal time required to assist with the notice, assist the board in responding to comments and drafting the adoption notice. The estimated cost for legal assistance is \$3,800 in FY 2016.
7. The board will pay an annual fee to participate in the multi-state compact in the amount of \$6,000 beginning in FY 2016.
8. The revenue impact is anticipated to be zero. In 2012, the board surveyed all 24 existing compact states as to whether licensing fees were increased in any compact state due at least in part to joining the compact, and no state responded in the affirmative. The board recognizes this bill will result in an overall reduction of governmental fees paid by licensed nurses among the participating party states. Based on information provided by the chair of the compact, who is also the executive officer of the Idaho Board of Nursing, any reduction in licensure revenue in Montana will likely be offset by an increase of licensees who claim residency in Montana in relation to licensure records and by a reduction in administrative costs associated with administering those out-of-state licenses.

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$22,217	\$6,000	\$6,000	\$6,000
TOTAL Expenditures	\$22,217	\$6,000	\$6,000	\$6,000
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$22,217	\$6,000	\$6,000	\$6,000
TOTAL Funding of Exp.	\$22,217	\$6,000	\$6,000	\$6,000
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$22,217)	(\$6,000)	(\$6,000)	(\$6,000)



Sponsor's Initials

Date



Budget Director's Initials



Date